

Moultonborough Community
Center
Financial Study and
Recommendations

January 7th 2016

Why Are we Here

To Settle the Question:

What does the Legislative Body want us to do?

Why Are we Here

- The BoS takes direction from the Legislative Body
- You told us in 2013 to pursue development per Blue Ribbon Commission
- We are obligated to do that
- Present real cost figures

Why Are we Here

- 2011 Blue Ribbon Commission Report: “... pursue development of a facility that includes an indoor gymnasium, Recreation Department office, program and storage space that would be on existing school land or property adjacent to school facilities.”
- 2013 Town Meeting “Sense of the Meeting” **65% Majority**
- 2014 Town Meeting approved \$17,500 for a site study **61% Majority**
- 2014 UNH Team Feasibility Study “To Settle the Question” recommendation was to ***“Prepare a warrant article for the development of a new indoor recreation center and gym facility.”***

Why Are we Here

Provide to the BoS accurate and realistic cost for construction and operation for a proposed Community Center.

So that the BoS can decide whether to place a warrant article for a Community Center on the 2016 Town Warrant.

How We Got Here

2015 UNH Town Team Performed Detailed Review of UNH Report

“The committee agrees that there is indeed a need for more gym space and that there is insufficient space available in the area to accommodate a comprehensive year-round Recreation Program for all ages.”

How We Got Here

Insufficient Gym Capacity

Three studies in past five years all came to the same conclusion.

2014-15 School Year SAU 45 School Gyms

% Utilization (M-F, 5 hours per *school day*) all scheduled activities(Rec. Dept. and Schools):

MCS: 96.3%

MA : 97.2%

How We Got Here

- **June 17th 2015 UNH Town Team Report to Selectmen**
 - Authorize a study that focuses strictly on the financing, construction cost options both hard and soft, ongoing operating expenses, and impact to the tax rate for various build scenarios. **Without this information, it would be impossible for the Selectmen and voters to make an informed decision**
- **August 11th 2015 UNH Town Team Report to Joint School Board/Selectmen**
 - Town should consider a warrant article to be put forward for **2016 Town meeting** that is as clear and unambiguous as is humanly possible, **so that this issue can be finally resolved.**

How We Got Here

- **September 3rd Selectmen Work Session Minutes:**

- “There was a general Board discussion of the facility use and impact of the existing Town properties, i.e. Lions Club, Recreation building and Taylor property. “
- *“The Board, setting aside their personal feelings of the project, did all agree that the Town meeting has charged them with bringing back information and with respect to the various studies conducted surrounding the recreation space needs.”*
- “The Selectmen agreed that the location would be adjacent to the school facility and in conjunction with the Taylor property, and that the facility would be a multi-use facility.”

How We Got Here

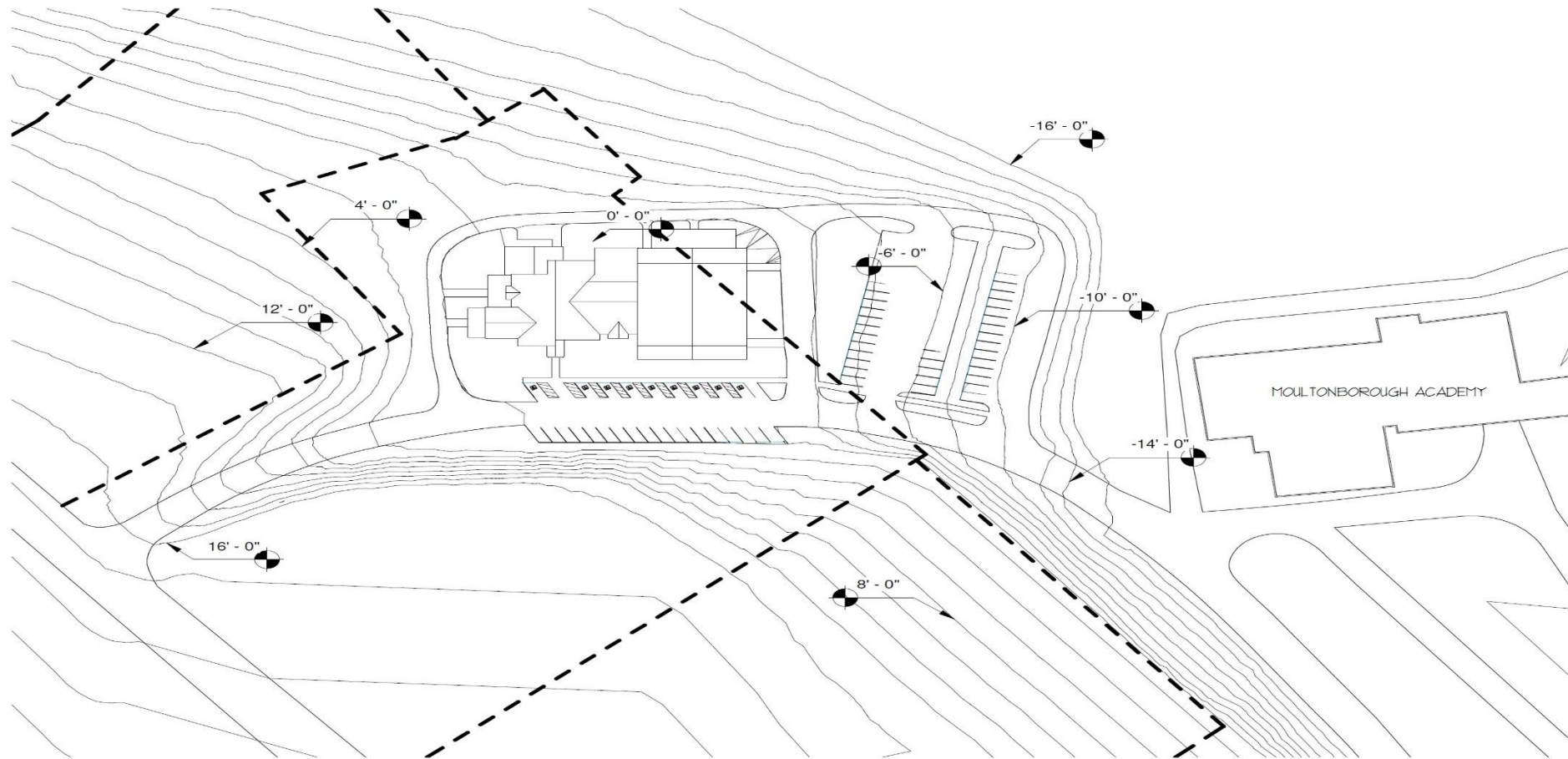
- **September 3rd Selectmen Work Session Minutes:**

“The Board agreed that as they look at the project that it should:

- 1. Be called a Community Center, as it needs to be a sense of community;
- 2. All-purpose Gym (11,000 sq. ft.), to allow for walking space on outer area of gym;
- 3. Multi-purpose rooms to accommodate specialty activities and undeveloped or unstructured activities;
- 4. Commercial kitchen to support and accommodate senior meals program. “

Site Study /Financial Study

- CMK Architects, PA- Engaged in 2014. Final Deliverable- Construction Cost Estimates
- First required a conceptual design
- With the direction of the BoS for a “ Community Center” a final concept was completed
- Professional estimator engaged by CMK



4 SITE PLAN
1" = 100'-0"

Conceptual Drawing



Construction Considerations

- Maintenance free exterior
- Poured rubberized floor in gym
- Test borings / site surveys etc. will determine final building configuration
- Construction management decision if project goes forward
- Construction duration approximately 40 weeks

Adding it all up

- Building Portion of Project: \$4,314,771, or approximately \$215, per square foot @ 20,000 sf;
- Site Work; \$1.5MM+ (Includes Paving/Road Construction)
- Professional Architectural and Engineering fees:\$592,500

Project Total, excluding furniture, fixtures and equipment :
\$6,491,001

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Bond

Special rules for Municipal Bonds

- Bond hearing at least 15 days prior to Town Meeting
- Requires 66% Yes votes to pass
- Must be secret ballot vote
- Secret ballot voting must be open for at least an hour after discussion

Bond 10 Year Level Principal

DEBT YEAR	PERIOD ENDING	PRINCIPAL OUTSTANDING	PRINCIPAL	RATE	INTEREST	TOTAL PAYMENT	CALENDAR YEAR TOTAL PAYMENT	ASSESSED VALUATION	CY-EST. TAX RATE INC.
	02/15/17				\$94,158.75	\$94,158.75			
1	08/15/17	\$6,300,000.00	\$630,000.00	2.550%	80,325.00	710,325.00	\$804,483.75	\$2,734,134,686	0.29
	02/15/18				72,292.50	72,292.50			
2	08/15/18	5,670,000.00	630,000.00	2.550%	72,292.50	702,292.50	774,585.00	2,734,134,686	0.28
	02/15/19				64,260.00	64,260.00			
3	08/15/19	5,040,000.00	630,000.00	2.550%	64,260.00	694,260.00	758,520.00	2,734,134,686	0.28
	02/15/20				56,227.50	56,227.50			
4	08/15/20	4,410,000.00	630,000.00	2.550%	56,227.50	686,227.50	742,455.00	2,734,134,686	0.27
	02/15/21				48,195.00	48,195.00			
5	08/15/21	3,780,000.00	630,000.00	2.550%	48,195.00	678,195.00	726,390.00	2,734,134,686	0.27
	02/15/22				40,162.50	40,162.50			
6	08/15/22	3,150,000.00	630,000.00	2.550%	40,162.50	670,162.50	710,325.00	2,734,134,686	0.26
	02/15/23				32,130.00	32,130.00			
7	08/15/23	2,520,000.00	630,000.00	2.550%	32,130.00	662,130.00	694,260.00	2,734,134,686	0.25
	02/15/24				24,097.50	24,097.50			
8	08/15/24	1,890,000.00	630,000.00	2.550%	24,097.50	654,097.50	678,195.00	2,734,134,686	0.25
	02/15/25				16,065.00	16,065.00			
9	08/15/25	1,260,000.00	630,000.00	2.550%	16,065.00	646,065.00	662,130.00	2,734,134,686	0.24
	02/15/26				8,032.50	8,032.50			
10	08/15/26	630,000.00	630,000.00	2.550%	8,032.50	638,032.50	646,065.00	2,734,134,686	0.24
TOTALS			\$6,300,000.00		\$897,408.75	\$7,197,408.75	\$7,197,408.75		

Bond 15 Year Level Principal

DEBT YEAR	PERIOD ENDING	PRINCIPAL OUTSTANDING	PRINCIPAL	RATE	INTEREST	TOTAL PAYMENT	CALENDAR YEAR TOTAL PAYMENT	ASSESSED VALUATION	CY-EST. TAX RATE INC.
	02/15/17				\$103,390.00	\$103,390.00			
1	08/15/17	\$6,300,000.00	\$420,000.00	2.800%	88,200.00	508,200.00	\$611,590.00	2,734,134,686	0.22
	02/15/18				82,320.00	82,320.00			
2	08/15/18	5,880,000.00	420,000.00	2.800%	82,320.00	502,320.00	584,640.00	2,734,134,686	0.21
	02/15/19				76,440.00	76,440.00			
3	08/15/19	5,460,000.00	420,000.00	2.800%	76,440.00	496,440.00	572,880.00	2,734,134,686	0.21
	02/15/20				70,560.00	70,560.00			
4	08/15/20	5,040,000.00	420,000.00	2.800%	70,560.00	490,560.00	561,120.00	2,734,134,686	0.21
	02/15/21				64,680.00	64,680.00			
5	08/15/21	4,620,000.00	420,000.00	2.800%	64,680.00	484,680.00	549,360.00	2,734,134,686	0.20
	02/15/22				58,800.00	58,800.00			
6	08/15/22	4,200,000.00	420,000.00	2.800%	58,800.00	478,800.00	537,600.00	2,734,134,686	0.20
	02/15/23				52,920.00	52,920.00			
7	08/15/23	3,780,000.00	420,000.00	2.800%	52,920.00	472,920.00	525,840.00	2,734,134,686	0.19
	02/15/24				47,040.00	47,040.00			
8	08/15/24	3,360,000.00	420,000.00	2.800%	47,040.00	467,040.00	514,080.00	2,734,134,686	0.19
	02/15/25				41,160.00	41,160.00			
9	08/15/25	2,940,000.00	420,000.00	2.800%	41,160.00	461,160.00	502,320.00	2,734,134,686	0.18
	02/15/26				35,280.00	35,280.00			
10	08/15/26	2,520,000.00	420,000.00	2.800%	35,280.00	455,280.00	490,560.00	2,734,134,686	0.18
	02/15/27				29,400.00	29,400.00			
11	08/15/27	2,100,000.00	420,000.00	2.800%	29,400.00	449,400.00	478,800.00	2,734,134,686	0.18
	02/15/28				23,520.00	23,520.00			
12	08/15/28	1,680,000.00	420,000.00	2.800%	23,520.00	443,520.00	467,040.00	2,734,134,686	0.17
	02/15/29				17,640.00	17,640.00			
13	08/15/29	1,260,000.00	420,000.00	2.800%	17,640.00	437,640.00	455,280.00	2,734,134,686	0.17
	02/15/30				11,760.00	11,760.00			
14	08/15/30	840,000.00	420,000.00	2.800%	11,760.00	431,760.00	443,520.00	2,734,134,686	0.16
	02/15/31				5,880.00	5,880.00			
15	08/15/31	420,000.00	420,000.00	2.800%	5,880.00	425,880.00	431,760.00	2,734,134,686	0.16
TOTALS			\$6,300,000.00		\$1,426,390.00	\$7,726,390.00	\$7,726,390.00		

Bond Comparison

	Total Interest	Total Payment	Impact to Tax Rate
10 Year Bond	\$897,408.75	\$7,197,408.75	29-24 Cents Annually
15 Year Bond	\$1,426,390.00	\$7,726,390.00	21-16 Cents Annually
	Difference	\$528,981.25	

10 Year Bond: Higher annual payments (\$804K- \$646K)

15 Year Bond : Lower annual payments (\$611K- \$432K) but additional \$529K interest

Additional Annual Operating Costs For Recreation Dept.

- **Electricity= \$18,000**
- **Heating Oil= \$25,300**
- **Propane= \$1,150**
- **Staffing: 2 P/T Front Desk Staff= \$32,000**
- **Cleaning Service/Maintenance Supplies= \$35,000**
- **Security Maintenance= \$2,500**
- **Internet= \$2,100**
- **Property & Liability Insurance=\$21,000**
- **Contingency= \$25,000**

Total: \$162,050

Note: Utility Costs are currently absorbed in the DPW Operating Budget . Cleaning service is for contracted staff, indoors. It does not include outdoor maintenance (lawn/snow removal, materials etc.) which would be proposed to be done by DPW.

Additional Annual Costs For Recreation Dept.

- Current Rec. Dept. 2016 Operating Budget=\$335,408.
- Additional Community Center Operating Budget= \$162,050

Total Proposed Recreation Budget= \$497,458

One time equipment purchase: \$60,000

Potential Financial Offsets

- Decreased operating/maintenance costs (Lions Club/Rec. Bldg.)
- Cost avoidance to repair and upgrade (ADA etc.) the Lions Club building , Recreation building
- Possible use of renewable energy sources for heat and electricity
- Increased revenue for Community Center rentals/events rec. dept. programs
- Sale of Lions Club Property
- The sale or repurpose of the existing recreation center building to commercial lease for income.
- Economic stimulus in conjunction with the Village Vision linking the community center to building a sense of community.
- Cost avoidance using portion of Lions Club land for cemetery space
- May significantly reduce the area required for sidewalks

Proposed Warrant Article

- **To see if the town will:**
 - **Vote to raise and appropriate the sum of \$6,491,001 for the design, engineering, construction and equipping of a Community Center and certain outdoor improvements to the surrounding grounds and contingencies to be built on a portion of land (Tax Map 66/7) acquired from the Moultonborough School District and a portion of the land located on the Town owned property (Tax Map 52/14)**
 - **And for the expenses related to the issuance of municipal bonds and notes, and to authorize the issuance of bonds or notes in an amount not to exceed \$6,491,001 said amount to be reduced by a fund raising goal of a minimum of \$649,000 by the Friends of the Moultonborough Community Center.**
 - **In accordance with the Municipal Finance Act RSA Chapter 33, to authorize the Select Board to apply for and obtain and accept any Federal, State, other such aid that may be available for said project**
 - **And comply with all laws applicable to said project;**
 - **To authorize the Select Board to issue and negotiate such bonds or notes and to determine the rate of interest, maturity and other terms thereon;**
 - **And to authorize the Select Board to take any other action relative thereto, and further to raise and appropriate the sum of (??) Thousand Dollars (\$\$) for the payment of interest on any notes issued in anticipation of such bonds that is payable in 2016 said amount to come from the undesignated fund balance as of December 31, 2015. (2/3 ballot vote required)**

Decision Points

- Today: **BoS to decide if they want to place a warrant article to decide the Community Center issue on the 2016 Town Warrant.**
- If yes:
 - Fine tune warrant article
 - Decide on bond term
 - Schedule Informational Sessions
 - Schedule Bond hearing

Questions?